



Legislation Text

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020337
SUBSTITUTE 1

THE CHAIR

Substitute resolution approving a Project Plan and creating Tax Incremental District No. 50 (Ralos/Solar Paints and Varnishes), approving a Term Sheet for a Cooperation, Contribution and Redevelopment Agreement to implement the Project Plan, and authorizing agreement between the City of Milwaukee and Ralos, LLC ("Ralos") concerning assignment under Section 75.106, Wisconsin Statutes, of the City's right to Section 75.521, Wisconsin Statutes, in-rem foreclosure judgment against 5375 South 9th Street (the "Parcel"), in the 13th Aldermanic District.

This substitute resolution approves a Tax Incremental District Project Plan to provide partial funding for environmental investigation and remediation of the Parcel. This resolution also approves a Term Sheet for a Cooperation, Contribution and Redevelopment Agreement to be entered into among the City of Milwaukee, the Redevelopment Authority of the City of Milwaukee and Ralos through which the Redevelopment Authority will advance funding for the project from the EPA Revolving Loan Fund. And, it approves a Section 75.106, Wisconsin Statutes, transaction pursuant to which the City will assign its right to a Section 75.521, Wisconsin Statutes, in-rem property tax foreclosure judgment against the Parcel to Ralos.

Whereas, Section 66.1105, Wisconsin Statutes, is entitled "Tax Increment Law"; and

Whereas, Pursuant to Section 66.1105(4)(a) through (gm), Wisconsin Statutes, the Redevelopment Authority of the City of Milwaukee ("RACM") has designated the boundaries of Tax Incremental District No. 50 (the "District") as being comprised of a single site, to wit, the Parcel, and RACM recommended that the District be created and submitted such recommendation to the Common Council of the City of Milwaukee ("Common Council") for approval with a proposed Project Plan for the District; and

Whereas, Section 66.1105(4)(g), Wisconsin Statutes, provides that a Project Plan for a Tax Incremental District shall be approved by the Common Council and that such approval: (a) shall contain findings that such Project Plan is feasible and in conformity with the Master Plan of the City; and (b) shall be prior to or concurrent with adoption of a resolution by the Common Council under Section 66.1105(4)(gm), Wisconsin Statutes; and

Whereas, Under the provisions of Section 66.1105(4)(gm)4.a., Wisconsin Statutes, not less than 50 percent, by area, of the real property within a proposed District must qualify as either a "blighted area" within the meaning of Section 66.1105(2)(a), Wisconsin Statutes; an area "in need of rehabilitation or conservation work" as defined in Section 66.1337(2m)(b), Wisconsin Statutes; or must be suitable for "industrial sites" within the meaning of Section 66.1101, Wisconsin Statutes, and be zoned for industrial use; and

Whereas, In that the District is comprised of a single parcel site that is zoned Light Manufacturing (M/D/40), which is industrial zoning, more than 50 percent, by area, of the real property in the District is determined to be suitable for "industrial sites" and, therefore, satisfies the requirements of Section 66.1105(4)(gm)4.a.3., Wisconsin Statutes; and

Whereas, The Project Plan contains statements and other factual information indicating that the improvement of such area is likely to enhance significantly the value of real

property in the District; that project costs directly serve to promote development of the District consistent with the purpose(s) for which the District is created under Section 66.1105(4) (gm) 4.a., Wisconsin Statutes, and that the aggregate value of equalized taxable property of the District plus all existing districts has been determined to be less than 7 percent of the total value of equalized taxable property within the City of Milwaukee ("City"); and

Whereas, The Parcel: (a) is now owned by Solar Paints and Varnishes, Inc. (owner of record); (b) is property tax delinquent for years 1994-2001; and (c) is a brownfield; and

Whereas, Ralos wishes to acquire the Parcel; and

Whereas, Ralos, after it becomes the owner of the Parcel, will pay year 2001 and future taxes and remediate the Parcel per Department of Natural Resources' requirements; and

Whereas, Section 75.106, Wisconsin Statutes, allows the City to assign its right to Section 75.521, Wisconsin Statutes, in-rem property tax foreclosure judgments to third persons under certain circumstances; and

Whereas, The Term Sheet, a copy of which is attached to this Common Council File, contemplates the City and Ralos entering into a contract under Section 75.106, Wisconsin Statutes, (the "75.106 Contract") so that the City can assign its right to foreclosure judgment against the Parcel to Ralos; now, therefore, be it

Resolved, By the Common Council of the City of Milwaukee regarding Tax Incremental District No. 50, City of Milwaukee, that it finds and determines as follows:

1. The District is suitable for "industrial sites" within the meaning of Section 66.1105 (4) (gm) 4.a., Wisconsin Statutes, is zoned for industrial use and will remain zoned for industrial use for the life of the District per Section 66.1105(4) (gm) 5., Wisconsin Statutes.
2. The improvement and/or redevelopment of such area, as hereinafter provided, is likely to enhance significantly the value of substantially all of the other real property in and adjoining such District.
3. Project costs relate directly to promoting development consistent with the City's Master Plan and with the purpose(s) for which the District is created under Section 66.1105(4) (gm) 4.a., Wisconsin Statutes.
4. The percentage of the aggregate value of the equalized taxable property of the District, plus all existing districts, does not exceed the statutory maximum 7 percent of the aggregate value of total equalized value of taxable property within the City; and, be it

Further Resolved, That Tax Incremental District No. 50, City of Milwaukee, is created as of January 1, 2002 and that the boundaries of the District are approved as described and more precisely set forth in the Project Plan and that said boundaries include only those whole units of property as are assessed for general property tax purposes and do not include any area identified as a wetland on a map under Section 23.32, Wisconsin Statutes; and, be it

Further Resolved, That the Project Plan is approved as the Project Plan for said District and that the Project Plan is feasible, in conformity with the Master Plan for the City and will promote the orderly development of the City; and, be it

Further Resolved, That the proper City officials are authorized and directed to enter into a Cooperation, Contribution and Redevelopment Agreement for the purposes of

implementing the Project Plan on terms substantially in accordance with the Term Sheet, which Term Sheet is also hereby approved, together with such additional documents as may be contemplated by the Project Plan and Term Sheet to implement the actions outlined in the Term Sheet (including the 75.106 Contract); and, be it

Further Resolved, That the City Treasurer and the City Attorney are authorized to prosecute Section 75.521, Wisconsin Statutes, in-rem property tax foreclosure against the Parcel so that judgment may be assigned to Ralos per the 75.106 Contract; and, be it

Further Resolved, That in the event that in-rem property tax foreclosure judgment against the Parcel is granted to Ralos, the City Treasurer and the City Comptroller are authorized to appropriate from Account No. 0110-2210-107802 an amount equivalent to the principal amount of the 1994-2000 delinquencies against the Parcel that will be foreclosed against so that those delinquent tax balances may be eliminated from the City Treasurer's records; and, be it

Further Resolved, That:

1. The City Clerk is authorized and directed to apply to the Wisconsin Department of Revenue for a "Determination of Tax Increments and Tax Incremental Base," for the District pursuant to the provisions of Section 66.1105(5), Wisconsin Statutes.

2. Pursuant to the provisions of Section 66.1105(5) (f), Wisconsin Statutes:

a. The Assessment Commissioner is authorized and directed to identify upon the assessment roll, returned and examined under Section 70.45, Wisconsin Statutes, those parcels of property which are within Tax Incremental District No. 50, City of Milwaukee, specifying thereon the name of the District.

b. The City Clerk is authorized and directed to make notations on the tax roll for the District similar to those required to be made under Section 70.65, Wisconsin Statutes.

3. A variance is authorized from the procedures of Common Council File No. 68-461-x, being the Guidelines for the Control of Capital Expenditures, and directs the City Comptroller to:

Establish the appropriate accounts within the Tax Incremental District No. 50 project account, No. 0336-1910-TD05080000, to appropriate tax increment collections equal to the total required to pay the City Contribution as provided in the Term Sheet for this District, in such amounts as set forth in the Project Plan, as shall be necessary to implement the Project Plan.

4. The City Comptroller is authorized to establish all accounts and make all appropriation transfers upon request by the Department of City Development for all revenue or expenditure activity under this resolution.

5. All City officials, departments, boards, authorities, and commissions are requested, authorized, and directed to take all necessary actions and to provide all necessary assistance as may from time-to-time be needed to carry out the intent and purpose of this resolution and the Project Plan.

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07/22/02